

JUN 12 1996

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY CWB

In the Matter of the Withdrawal of: ) Docket No. 96A-055-INS  
AUSTIN LIFE INSURANCE )  
COMPANY (NAIC No. 80527) ) ORDER  
Petitioner. )  
\_\_\_\_\_ )

On June 6, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal submitted "Findings of Fact, Conclusions of Law Recommendation", a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the recommendation, and enters the following order:

1. The Findings of Fact and Conclusions of Law are adopted.
2. The Petitioner may file its Articles of Dissolution with the Arizona Corporation Commission.
3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and that the statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of examination expenses, if due; (b) payment of \$324.77 to the IERF; (c) a copy of Petitioner's Articles of Dissolution certified as filed by the Arizona Corporation Commission; and (d) a fully executed Form EI26 (Notice of Trust Deposit Release). The statutory deposit cannot be released until the Department

1 receives a fully executed copy of the official State Treasurer  
2 Release Receipt.

3 4. The sum of \$100.00 previously credited to the  
4 IERF be refunded to the Petitioner, pursuant to A.R.S. §20-159.

5 5. The Petitioner shall file its 1996 Annual  
6 Statement with the Department, together with all applicable fees,  
7 unless Petitioner files its Article of Dissolution with the  
8 Arizona Corporation Commission on or before December 31, 1996.

9 NOTIFICATION OF RIGHTS

10 The aggrieved party may request a rehearing with  
11 respect to this Order by filing a written petition with the  
12 Office of Administrative Hearings within 30 days of the date of  
13 this Order, setting forth the basis for such relief pursuant to  
14 A.A.C. R20-6-114(B).

15 The final decision of the Director may be appealed to  
16 the Superior Court of Maricopa County for judicial review  
17 pursuant to A.R.S. §20-166.

18 EFFECTIVE this 12<sup>th</sup> day of June, 1996

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21 Chris Herstam  
22 Director of Insurance  
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1 A copy of the foregoing  
2 mailed this 12th day of  
3 June, 1996

4 Charles R. Cohen, Deputy Director  
5 Gregory Y. Harris, Executive Assistant Director  
6 Mary Butterfield, Assistant Director  
7 Catherine O'Neil, Assistant Director  
8 Gary Torticill, Assistant Director  
9 Deloris Williamson, Assistant Director  
10 Scott Greenberg, Business Administrator  
11 Rose McNabb, Solvency Support Unit Supervisor  
12 Kurt Regner, Examiner  
13 Department of Insurance  
14 2910 N. 44th St., Suite 210  
15 Phoenix, AZ 85018

16 Office of Administrative Hearings  
17 1700 West Washington, Suite 602  
18 Phoenix, AZ 85007

19 Gerrie Marks  
20 Assistant Attorney General  
21 1275 West Washington  
22 Phoenix, AZ 85012

23 Philip T. Paris  
24 2929 North 44th Street, Suite 120  
25 Phoenix, AZ 85018

26  
27 *Carey Walters Burton*  
28

## OFFICE OF ADMINISTRATIVE HEARINGS

|                                    |   |                           |
|------------------------------------|---|---------------------------|
| In the Matter of the Withdrawal of | ) | <b>No. 96A-055-INS</b>    |
|                                    | ) |                           |
| <b>AUSTIN LIFE INSURANCE</b>       | ) | <b>FINDINGS OF FACT</b>   |
| <b>COMPANY (NAIC No. 80527)</b>    | ) | <b>CONCLUSIONS OF LAW</b> |
|                                    | ) | <b>RECOMMENDATION</b>     |
|                                    | ) |                           |
| Petitioner.                        | ) |                           |
|                                    | ) |                           |

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On May 9, 1996, a hearing took place at the Arizona Department of Insurance (the "Department"), 2910 North 44th Street, Phoenix, Arizona, to consider the application of Austin Life Insurance Company (the "Petitioner"), NAIC No. 80527, to withdraw from the insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303. The record of this matter closed on May 31, 1996.

Based upon the entire record in this matter, including all pleadings, motions, testimony and exhibits admitted during the hearing of this matter, Administrative Law Judge Lewis D. Kowal has prepared the following Recommended Findings of Fact, Conclusions of Law and Proposed Order for consideration and approval by the Director:

### **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The Petitioner has surrendered its Certificate of Authority to the Department.
2. The Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) authorizing Petitioner to withdraw from the insurance business by dissolution.
3. The Petitioner has no insurance obligations owing to it, whether by policies written direct or by reinsurance ceded to it.

4. The Petitioner has filed with the Department its certified financial statement as of December 31, 1995 and has filed a statement of the President and Secretary of the Petitioner certifying that as of May 14, 1996 Petitioner's current financial status has not changed since December 31, 1995.

5. At least 10 business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the date, place, nature and purpose of the hearing, as evidenced by an affidavit of publication. Petitioner also provided individual notice by mail to its known creditors, as evidenced by an affidavit.

6. The Petitioner has a \$100,000.00 statutory deposit with the Department and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

7. The Petitioner has complied with the provisions of A.R.S. §20-588 and with A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

8. The Department may have incurred examination expenses as a result of this withdrawal.

9. Petitioner currently owes \$324.77 to the IERF.

#### **RECOMMENDED ORDER**

The undersigned Administrative Law Judge recommends that:

1. The Petitioner may file its Articles of Dissolution with the Arizona Corporation Commission.

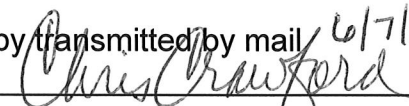
2. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and that the statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of examination expenses, if due; (b) payment of \$324.77 to the IERF; (c) a copy of Petitioner's Articles of Dissolution certified as filed by the Arizona Corporation Commission; and (d) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.

3. The sum of \$100.00 previously credited to the IERF be refunded to the Petitioner, pursuant to A.R.S. §20-159.

4. The Petitioner shall file its 1996 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Article of Dissolution with the Arizona Corporation Commission on or before December 31, 1996.

Done this 6th day of June 1996.

  
\_\_\_\_\_  
Lewis D. Kowal  
Administrative Law Judge

Copy transmitted by mail <sup>6/7/96</sup>  
by ; to:

Chris Herstam, Director  
Department of Insurance  
2910 North 44th Street, 210  
Phoenix, AZ 85018-7256